

**LITHUANIAN HUMAN SERVICES
MARQUETTE PARK
SPECIAL SERVICE AREA #14**

**FINANCIAL STATEMENTS
For the Years Ended December 31, 2013 and 2012**

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P.K. Johnson &
Associates, LLC

To the Commissioners
Lithuanian Human Services Marquette Park
Special Service Area #14
Chicago, Illinois

Independent Auditors' Report

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Paul K. Johnson, CPA
Phillip I. Coleman, CPA
Of Council

We have audited the accompanying financial statements of Lithuanian Human Services Marquette Park Special Service Area #14 which comprise the statements of financial position as of December 31, 2013 and 2012 and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements. These financial statements are the responsibility of Lithuanian Human Services Marquette Park Special Service Area #14 management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

The Organization's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United State of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Lithuanian Human Services Marquette Park Special Service Area #14 as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budgeted amounts for 2013 and 2012 show in the statements of activities are presented for purposes of additional analysis and are not required part of the financial statements but are required by the City of Chicago Department of Housing and Economic Development. Such information was arrived at by the City of Chicago Department of Housing and Economic Development and the Lithuanian Human Services Marquette Park Special Service Area #14.

We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them. The summary schedule of audit findings is a requirement of the City of Chicago Department of Housing and Economic Development and not a required part of the basic financial statements. The city requires we disclose any exceptions to the contract between the city and the SSA.

P.K. Johnson & Associates, LLC

P.K. JOHNSON & ASSOCIATES, LLC
Elmhurst, Illinois
April 3, 2014

**LITHUANIAN HUMAN SERVICES
MARQUETTE PARK
SPECIAL SERVICE AREA #14**

**STATEMENTS OF FINANCIAL POSITION
As of December 31, 2013 and 2012**

ASSETS

	<u>2013</u>	<u>2012</u>
Cash	\$ <u>6,897</u>	\$ <u>169,977</u>
TOTAL ASSETS	\$ <u>6,897</u>	\$ <u>169,977</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ _____ -	\$ _____ -
TOTAL LIABILITIES	\$ _____ -	_____ -
Net assets	<u>6,897</u>	<u>169,977</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>6,897</u>	\$ <u>169,977</u>

See Accompanying Notes

**LITHUANIAN HUMAN SERVICES
MARQUETTE PARK
SPECIAL SERVICE AREA #14**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2013**

	2013 <u>Actual</u>	2013 <u>Budget</u>	Variance <u>Over (Under)</u>
REVENUES			
Real Estate Taxes Current Period	\$ 412,830	\$ 468,350	\$ (55,520)
Real Estate Taxes Prior Periods	19,148	-	19,148
Interest Income	319	-	319
Total Operating Revenue	<u>432,297</u>	<u>468,350</u>	<u>(36,053)</u>
EXPENDITURES			
Advertising and Promotion			
Printing	-	2,500	(2,500)
Website Technology	-	3,500	(3,500)
Public/Media Relations	2,326	5,000	(2,674)
Handouts	-	2,500	(2,500)
Total Advertising and Promotion	<u>2,326</u>	<u>13,500</u>	<u>(11,174)</u>
Public Way Aesthetics			
Decorative Banners	-	5,000	(5,000)
Total Public Way Aesthetics	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>
Safety Programs			
Surveillance Cameras/Maintenance	11,595	30,000	(18,405)
Security Subcontractor	491,466	440,000	51,466
Statistical analysis	-	1,000	(1,000)
Total Safety Programs	<u>503,061</u>	<u>471,000</u>	<u>32,061</u>
District Planning			
SSA Designation	32,555	50,000	(17,445)
Total District Planning	<u>32,555</u>	<u>50,000</u>	<u>(17,445)</u>
Operational and Administrative Support			
SSA Annual Report	-	3,000	(3,000)
Audit	4,000	5,000	(1,000)
Bookkeeping	4,000	5,000	(1,000)
Meeting Expense	-	1,500	(1,500)
Office Equipment	3,829	5,000	(1,171)
Office Supplies	335	2,000	(1,665)
Utilities/Telephone	7,580	15,000	(7,420)
Postage	-	4,500	(4,500)
Office Printing	4,166	2,500	1,666
Office Rent	-	7,200	(7,200)
Bank Fees	1,213	1,500	(287)
Monitoring	-	2,500	(2,500)
Subscriptions	-	500	(500)
Service Provider Administrative Support	30,000	40,692	(10,692)
Miscellaneous	2,312	4,000	(1,688)
Total Operational & Administrative Support	<u>57,435</u>	<u>99,892</u>	<u>(42,457)</u>
Less Contingency	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>
Total Expenditures	<u>595,377</u>	<u>664,392</u>	<u>(69,015)</u>
Change In Net Assets	<u>\$ (163,080)</u>	<u>\$ (196,042)</u>	<u>\$ (32,962)</u>
NET ASSETS - Beginning of Year	<u>169,977</u>		
END OF YEAR	<u>\$ 6,897</u>		

**LITHUANIAN HUMAN SERVICES
MARQUETTE PARK
SPECIAL SERVICE AREA #14**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012**

	2012 <u>Actual</u>	2012 <u>Budget</u>	Variance <u>Over (Under)</u>
REVENUES			
Real Estate Taxes	\$ 586,054	\$ 615,366	\$ (29,312)
Interest Income	<u>251</u>	<u>-</u>	<u>251</u>
Total Operating Revenue	<u>586,305</u>	<u>615,366</u>	<u>(29,061)</u>
EXPENDITURES			
Advertising and Promotion			
Website/Technology	-	3,500	(3,500)
Special Events	-	1,500	(1,500)
Advertising	-	5,000	(5,000)
Handouts	<u>-</u>	<u>2,000</u>	<u>(2,000)</u>
Total Advertising and Promotion	<u>-</u>	<u>12,000</u>	<u>(12,000)</u>
Safety Programs			
Surveillance Cameras/Maintenance	78,805	30,000	48,805
Security Subcontractor	497,442	430,000	67,442
Safety Improvement Program	<u>-</u>	<u>15,000</u>	<u>(15,000)</u>
Total Safety Programs	<u>576,247</u>	<u>475,000</u>	<u>101,247</u>
District Planning			
SSA Reconstitution	<u>-</u>	<u>30,000</u>	<u>(30,000)</u>
Total District Planning	<u>-</u>	<u>30,000</u>	<u>(30,000)</u>
Operational and Administrative Support			
Annual Report	-	3,000	(3,000)
Audit	4,000	5,000	(1,000)
Bookkeeping	4,000	5,250	(1,250)
Rent	-	6,000	(6,000)
Meeting Expense	-	900	(900)
Office Equipment	4,803	4,500	303
Office Supplies	141	1,800	(1,659)
Utilities/Telephone	7,131	13,500	(6,369)
Postage	-	4,000	(4,000)
Printing	-	3,600	(3,600)
Bank Fees	1,269	1,000	269
Monitoring	-	1,800	(1,800)
Repairs	1,262	2,000	(738)
Service Provider Administrative Support	<u>35,017</u>	<u>42,516</u>	<u>(7,499)</u>
Total Operational & Administrative Support	<u>57,623</u>	<u>94,866</u>	<u>(37,243)</u>
Less Contingency	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>
Total Expenditures	<u>633,870</u>	<u>636,866</u>	<u>(2,996)</u>
Change In Net Assets	<u>\$ (47,565)</u>	<u>\$ (21,500)</u>	<u>\$ 26,065</u>
NET ASSETS - Beginning of Year	<u>217,542</u>		
END OF YEAR	<u>\$ 169,977</u>		

**LITHUANIAN HUMAN SERVICES
MARQUETTE PARK
SPECIAL SERVICE AREA #14**

**STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Cash flows from OPERATING activities		
(Decrease) in net assets	\$ (163,080)	\$ (47,565)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	<u> -</u>	<u> -</u>
Net cash (used) by operating activities	<u>(163,080)</u>	<u>(47,565)</u>
Net (decrease) in cash	(163,080)	(47,565)
Cash at the beginning of the year	<u>169,977</u>	<u>217,542</u>
Cash at the end of year	<u>\$ 6,897</u>	<u>\$ 169,977</u>
 Supplemental disclosure of cash flows		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes

**LITHUANIAN HUMAN SERVICES
MARQUETTE PARK
SPECIAL SERVICE AREA #14**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - Lithuanian Human Services Marquette Park Special Service Area #14 was created by the City of Chicago to provide additional services to the area. The primary source of funds is from real estate taxes on property in the Special Service Area. Special Services Area #14 generates revenue for the sole purpose of hiring and coordinating the efforts of a licensed security firm which will attempt to reduce the number of illegal incidences occurring in the Marquette Park area.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual method. Based on information provided by the Department of Housing and Economic Development, the recognition of revenue by the SSA when received would be considered within generally accepted accounting principles. This allows Special Service Area's to prepare financial statements on the accrual method.

Cash and Cash Equivalents - Cash and cash equivalents are held in the name of Special Service Area #14 as required by the City of Chicago. All cash and earnings on such are to be used only as allowed by the city. For purposes of the statements of cash flows, the Special Service Area #14 considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes - The Special Service Area #14 is an entity established pursuant to the Constitution of the State of Illinois and enacted by ordinance established by the City Council of the City of Chicago. The SSA is not a separate entity for tax purposes and is not required to file federal or state tax returns.

NOTE 2 – NET ASSETS

Should the City decide to terminate the SSA, any funds remaining in the checking account are required to be returned to the City. The City is required to use the returned funds to provide services to the SSA area.

NOTE 3 – RELATED PARTY TRANSACTIONS

Lithuanian Human Services has been selected by the City as contractor to provide the services mentioned in Note 1. The Organization collects the funds and pays expenses to provide the agreed services. The Organization was paid \$40,692 in 2013 and \$35,017 in 2012.

**LITHUANIAN HUMAN SERVICES
MARQUETTE PARK
SPECIAL SERVICE AREA #14**

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – REAL ESTATE TAX REVENUE

The Special Service Area #14's principal source of revenue is real estate taxes levied on certain property located in Marquette Park. The taxes are assessed and collected by Cook County, and paid to the City of Chicago, which then remits to the Special Service Area #14. Taxes are levied in one year, but paid in two installments the following year by the property owners. The Special Service Area #14 recognizes this revenue in the year in which the funds become available. The use of the funds received is limited to expenditures agreed to by the City of Chicago based on a budget prepared by the SSA and approved by the City. Individuals who pay their real estate taxes late are charged interest. The later the payment the greater the interest charge. The City passes the interest charge on to the SSA.

NOTE 5 – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Special Service Area #14 maintains its cash balances in one financial institution located in Chicago, Illinois. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The cash balances exceed the F.D.I.C. limits several times during the years under audit and by as much as \$84,000.

NOTE 6 – SUBSEQUENT EVENTS

Management believes that as of April 3, 2014, the date these financial statements were issued, that no subsequent events had occurred since December 31, 2013 which would be required to be disclosed in these financial statements.

**LITHUANIAN HUMAN SERVICES
MARQUETTE PARK
SPECIAL SERVICE AREA #14**

**SUMMARY SCHEDULE OF AUDIT FINDINGS
For the Year Ended December 31, 2013**

We have read the agreement between the City of Chicago and Special Service Area #14 and state there are no findings to report the status of.